



CHUBB GROUP OF INSURANCE COMPANIES

The Offices At Bedminster, 550 Route 206, Suite 110, Bedminster, NJ 07921
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(908) 781-7666

PERSONAL & CONFIDENTIAL

October 15, 1992

Aspira, Inc. of New Jersey
390 Broad Street
Newark, NJ 07104
ATTN: Margaret Rivera

Lowenstein & Sandler
65 Livingston Avenue
Roseland, NJ
ATTN: Alan Lowenstein

RE: Insured : Aspira, Inc. of New Jersey
Policy No. : 8094-88-69E
Company : Federal Insurance Company
Potential Claim of Hilda Rosario

Dear M.M. Rivera and Mr. Lowenstein:

By letter dated August 13, 1992 Federal Insurance Company ("Federal") acknowledged receipt of a notice of potential claim received from William E. Agrate who represents Hilda Rosario. Please be advised that I have assumed responsibility for handling this matter on behalf of Federal.

We have reviewed the provisions of your Association Liability Policy No. 8094-88-69E ("the Policy") in light of the documents presented and offer the following analysis.

On July 30, 1992 William E. Agrate an attorney who represents Hilda Rosario wrote to Chubb alleging that his client was wrongfully terminated. It is alleged that Hilda Rosario, who was employed as Executive Director of Aspira, Inc. of New Jersey, was wrongfully discharged from her employment. A review of the correspondence reveals that no formal claim has been made and that there has been no demand for pay or service as a result of a Wrongful Act. This has been confirmed by Alan Lowenstein who represents Aspira, Inc. of New Jersey.

The Policy is effective for the period November 22, 1991 through November 22, 1992 and provides limits of \$1 million each Loss, each Policy Year. These limits are subject to a deductible of \$1,000. Federal shall not be liable for any amounts in excess of the Policy Limits or within the deductible.

Policy Paragraph 4.1 entitled Reporting And Notice provides that "a specific Wrongful Act shall be considered to have been first reported to the Company:

- a) at the time that any Insured first gives written notice to the Company that a claim has been made against the Insured for such Wrongful Act; or
- b) at the time that any Insured gives written notice to the Company (1) of the material facts or circumstances relating to such Wrongful Act as facts or circumstances having the potential of giving rise to a claim being made against the Insured or (2) of the receipt of written or oral notice from any party that it is the intention of such party to hold the Insured responsible for such Wrongful Act."

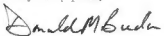
As such, Federal will accept this matter as notice of a potential claim under the Policy.

Should any claims be made against the Insured in connection with this matter, kindly notify Federal immediately, forwarding all documents to Federal for review.

In the interim, Federal expressly reserves all rights under the Policy and available at law to deny coverage and/or rescind the Policy on additional and alternative bases as other terms, conditions, exclusions, endorsements and provisions of the Policy including representations, statements, declarations and/or omissions in connection with the application therefor, are found to be applicable.

Should you have any questions and/or comments regarding the above, please do not hesitate to contact the undersigned at (908) 781-7666. Thank you for your consideration in this matter.

Very truly yours,



Donald M. Bleda
D&O Liability Representative

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